



Health Services
LOS ANGELES COUNTY

November 21, 2012

**Los Angeles County
Board of Supervisors**

Gloria Molina
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Second District

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Fifth District

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

**SUBJECT: NOTIFICATION OF INCREASED ESTIMATED
EXPENDITURES FOR TEMPORARY
NURSING PERSONNEL SERVICES AGREEMENTS**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

This is to inform the Board that the Department of Health Services (DHS) is adjusting ValleyCare Network's (ValleyCare) spending authority under the Temporary Nursing Personnel Services (TNPS) Agreements due to increased estimated costs as a result of the Immediate Jeopardy (IJ) citation Olive View-UCLA Medical Center received in FY 2011-12 for inadequate staff to patient ratios. On October 04, 2011, the Board approved a two-year extension of the current TNPS Agreements. At that time, DHS estimated that ValleyCare would spend \$4.3 million for the entire two-year period and this information was added to the eCAPs system in accordance with Auditor-Controller's implementation instructions. However, in response to the IJ citation, TNPS utilization and spending increased significantly.

On February 28, 2012, the Board approved a FY 2011-12 Budget Adjustment, in the amount of \$4.0 million, to help offset ValleyCare's accelerated spend rate on TNPS. While County items have been added to ValleyCare with recruitment efforts underway, TNPS utilization continues to be at a high level, as reflected in the last Department of Health Services Fiscal Outlook report to the Board on June 19, 2012. As of October 25, 2012, ValleyCare estimates that its cost for TNPS, for the period November 1, 2011 through October 31, 2013, will be approximately \$10.8 million. Accordingly, DHS will adjust ValleyCare's spending authority in the eCAPs system.

Please let me know if you have any questions.

MHK:jca:es

c: Chief Executive Office
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patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
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